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ISSUE NO. 496, JUNE 1, 1967

Second Class Postage Paid at Union, N.J.

Subscription \$3.00 per year

SOCIAL SECURITY HOAX

We Do Not Want to Shoot Santa Claus --- We Do Want to Present the Facts Regarding
What Is Labeled "Social Security" But What in Truth Is Socialized Insecurity

**Fraud Has Exaggerated National Debt
Imaginary Bonds Called Assets
As Well as Debts**

By JERROLD MARTIN

"You can't fool all the people all the time," someone once observed.

Surprisingly, however, one national hoax has thoroughly deceived an entire generation of Americans.

Its seemingly harmless deception is so obvious and ridiculous that it borders on the amusing. But because it conceals a more pernicious fraud, its effect on misled Americans is serious and often tragic.

This hoax is our exaggerated national debt. It is reported to be \$325 billion. Actually it is only \$258 billion, according to the U. S. Treasury's own official figures.

The inflated total results from counting, as debts, unsold U.S. government bonds admittedly still owned and held by the U.S. Government. Our Treasury Department includes, as debts, money that our U.S. Government supposedly owes to itself.

The Definition

No group can possibly be in debt to itself. A debt means money owed to someone ELSE.

This obvious fact is acknowledged in the Treasury Department's explanatory pamphlet, "OUR NATIONAL DEBT":

"The national Debt — officially termed 'the public debt' — is essentially like a bank loan or any other debt. Somebody (the government) owes it and somebody ELSE (the owners of U.S. government Securities) holds the evidence of that debt."

Thus government-owned government securities do not fit their own definition.

Strictly speaking, it is improper to term these "bonds" or "securities." These were never issued to lenders in receipt of loans nor even offered for sale. They are just meaningless billion-dollar checks our Administration has written to itself. Without affecting anyone these could be burned with other redeemed securities or unsold bonds — if our administrators have bothered to print them.

What's the Purpose?

Why have our President and Congressmen labored to misrepresent our liabilities as members of the U.S. Government? Why do they risk becoming the laughing stock of their electorate by continually selling themselves their own bonds, complete with interest and due date, then announcing we are deeper in debt and that they must raise the debt ceiling again? Why does President Johnson's budget request Congress to pay itself \$3 billion in interest on some unsold bonds?

It is certainly not to win votes. No party openly advocates increasing any govern-



ment's debts. If anything is promised it is balanced budgets, not large deficits.

Their intent cannot be to stimulate support for huge subsidies for businessmen, extravagant non-government projects, and massive welfare. A debt of \$325 billion dampens support more than one of \$258 billion.

Nor can it be to attract favorable publicity. The opposite occurs.

An exaggerated national debt cannot be an end in itself. Its political liability must be unavoidable to camouflage something even more undesirable.

What are they hiding from us?

Fictitious Assets

The intent of the Johnson Administration becomes transparent when we note that they call the imaginary bonds ASSETS as well as debts:

\$24 billion of these unsold bonds are called the Federal Old Age and Survivors Insurance Trust Fund and the Railroad Retirement Account;

\$25 billion of these worthless securities are named the Federal Employees Retirement Fund, the Veterans Life Insurance Funds, and the Judicial Retirement and Survivors Annuity Fund;

\$11 billion in fake bonds are labeled the Federal Unemployment and Disability Trust Funds and the fund for Longshoremen's relief and rehabilitation; and another

\$7 billion are the fictitious insurance funds of the Federal Deposit Insurance Corporation, the Savings and Loan Insurance Corporation, the FHA, and the federal home-loan and land banks.

The Illusion Intended

These phony bonds and trust funds imply

that certain business taxes and payroll deductions are contributions to compulsory insurance programs, whose entire funds are invested in interest-bearing U.S. Bonds and held in trust for us by special agencies of the U.S. Government.

This would mean that contributions remain our individual properties; that future benefits would come from our past savings; that Congress is legally bound to pay us benefits according to some policy; and that we would be legally and morally entitled to these benefits.

Evidently our national employees compel us to buy their insurance to be sure we won't be destitute during old age, unemployment, illness, disability, loss of bank deposits, or the death of the family wage-earner. They must not want us to become additional parasites on society's already overburdened welfare agencies. While oppressive, they appear benevolently anxious to secure our future.

The Actual Situation

The almost universal acceptance of this illusion, by critics as well as the uncritical, must continually amuse its cynical inventors, since the truth is the opposite.

"Social Security" payroll deductions are not collected under any trust agreement or insurance policy or any contract or verbal promise stating that the money remains the property of the contributors. These are ordinary income taxes collected to pay the debts of the U.S. Government and favored individuals. So are the corresponding "pension-fund" deductions of federal employees and railroad workers and the compulsory "Federal Deposit Insurance" taxes paid by national banks.

This money was not saved, loaned or invested for the contributors' future benefits. All was spent covering government expenses. No significant balance ever remained to save or invest. Rather, a deficit occurred nearly every year. None of these past earnings are available today. All benefits being presently paid are additional CURRENT U.S. taxes. Some of these were collected just a few months before, from the beneficiaries themselves!

These extra taxes are given not as legally required payments on insurance policies, but as charity. If payments stop, contributors cannot sue on breach of contract, because Congress is not indebted to them. The Treasury does not pay benefits under any mandatory contract — such as U.S. Bonds, for example — without special congressional appropriation.

Actually, Congress distributes our national funds as personal gifts without constitutional authority. We have authorized Congress "to

(Continued on Page 2)

TAX, TAX, TAX --- SPEND, SPEND, SPEND --- ELECT, ELECT, ELECT ---

THE PEOPLE ARE TOO DAMN DUMB TO UNDERSTAND --- HARRY HOPKINS

SOCIAL SECURITY HOAX

(Continued from Page 1)

lay and collect taxes to pay the debts and provide for the general welfare of the UNITED STATES", not of INDIVIDUALS. The welfare of the political entity, these United States, is not increased by taking cash from its citizens just to return it to them; nor is their combined welfare increased by redistributing their wealth. Both reduce our welfare by the multi-million dollar cost of collection and redistribution.

Recipients have no legal or moral rights to the national funds they receive. A little of the money offered them is theirs, but the rest belongs to other Americans. By their acceptance, our public funds are embezzled and they become technically the receivers of stolen property.

Thus the innocuous exaggeration of our national debt conceals a skyrocketing \$38 billion annual illegal federal welfare program.

Our nation's guardians are interested NOT in keeping us off relief, but in tricking more of us into accepting and supporting it.

They do NOT want us independent and self-supporting with never a need for hand-outs. They do NOT want us saving and buying REAL insurance and annuities. They must desire all of us to be without income or savings during unemployment, serious illness, and old age so that we and our sympathizers will clamor for charity and welfare and will vote for welfare-peddling socialists.

They do not want us socially secure; they want us FINANCIALLY INSECURE.

This explains why Social Security "pensioners" under 72 are limited in the amount they may earn.

Dispelling the Illusion

Many Americans will not believe that we, as the U.S. Government, are not legally indebted to Social Security pensioners and especially to our retired civil and military employees and disabled veterans.

Some will reluctantly admit that we are not LEGALLY indebted because they hold no evidence of any debt. But they will insist that we are still ACTUALLY indebted and morally bound to continue payments, which pensioners may accept honorably.

Others charge that their trust funds are bankrupt or non-existent or actuarially unsound only because their past congressmen misappropriated or grossly mismanaged their savings by putting them into the general fund. For this the present government cannot be held responsible. To prevent further irresponsibility they urge making all future government insurance voluntary.

All such views are wrong simply because these so-called "pensioners" never did provide any capital to build pension funds. Their national agencies could not possibly have saved money; savings are excess income, and these never had more income than expenses for very long.

This is NOT because Congress mismanaged their savings. How could they? Congress NEVER HAD SAVINGS TO MISMANAGE. The funds provided did not even cover expenses; some bills had to be paid with borrowed money, which has not yet been repaid. If anybody is in debt, it's these pensioners who are deeply in debt to today's young taxpayers who are now paying off the pensioners' old obligations. If past administrations really desired to insure them, premiums would have been deducted IN ADDITION TO THE TAXES NEEDED. Large budget SURPLUSES would have resulted EVERY year. The pensioners would have paid TWICE the payroll taxes and had less to spend. Today they would be retired on their past earnings instead of the present wages of relatives and neighbors.

These are the signs of true savings. Federal insurance has none of these.

Taxpayers do not pay income taxes expecting these to be returned later. Why do they expect refunds of taxes labeled "Social Security"?

What Next?

The foregoing painfully reveals that the magnificent system of Social Security Insurance, praised and defended for a generation, HAS NEVER EXISTED except as an illusion! ALL federal "pensions" and "insurance

ZIONISTS SPEND US INTO BANKRUPTCY



Walter W. Heller

Former Chairman of Council of Economic Advisors under JFK and LBJ, old line New Dealer who served with Treasury Dept. since 1942, helped install Income Withholding Tax System.



Paul Samuelson

Chief JFK advisor on spending and handling government funds; until recently power in LBJ's task force for permanent prosperity through the "Great Society."



Wilbur J. Cohen

Formerly Asst. Secy. for legislative matters of Dept. of Health, Education and Welfare. Headed JFK's task force on medical care for the aged under the Social Security System; technical advisor to the Social Security Act 1936-1954.

benefits" are just illegal offers of welfare which we can neither depend upon nor honestly accept.

Therefore, to secure our future, we ourselves must begin saving and investing our excess take-home pay thus becoming self-supporting again.

Unfortunately, after payment of Social Security taxes most families have no excess income to invest. They will have to do without security unless Congress soon begins depositing their Social Security premiums into REAL insurance trust funds.

This would be desirable; but if Congress did so divert these taxes, their spending would be curtailed. Very likely Congress would choose to discontinue all federal welfare mentioned, both the small checks to the poor and the \$1000 and more monthly checks to wealthy retired top bureaucrats.

With current tax levels, WE CANNOT HAVE BOTH SOCIAL SECURITY INSURANCE AND SOCIAL SECURITY BENEFITS." If contributors demand insurance for their money, handouts must cease. If they insist on supporting the millions on federal welfare, they must sacrifice their own welfare. Theirs is the choice.

This should surprise most contributors, who assume they have both.

Conclusion to Socialized Security

Undoubtedly, if contributors knew they could afford just one program, they would choose security for their families over the leisure of strangers. They would demand that future contributions be deposited directly into real trust funds without ever becoming U.S. Government property. Support for "government" Social Security would evaporate. Liberal Congressmen would face the dilemma of either becoming extremely unpopular or placing \$40 billion a year where they could not pilfer it for gifts.

This would finish the worst half of Social Security, the disguised giveaway. Once contributors realized they were almost the only ones available to borrow back all those billions they just "invested" in the insurance, the whole idea of universal compulsory insurance would be rejected.

Conservatives can achieve their dreams of defeating Socialist Security by confronting contributors with their inevitable choice and by explaining why their premiums should be deposited in trust funds owned by themselves.

To forestall such a choice, Liberals have contrived the illusion that no choice is necessary, and that contributors finance both their insurance and relievers' benefits for the cost of one. The above has shown the falsity of this illusion.

The essential props for this temporarily successful illusion are their phony U.S. Trust Funds and the exaggerated national debt. To knock these props from under the great Social Security Hoax is a worthwhile goal for every Conservative.

YOUR MONEY? - IT'S SPENT

A couple of news items which appeared the same day recently must have caused readers to blink and think.

One was about a couple of guys who stood in court with smirks on their faces as a reluctant judge had to dismiss murder charges against them because their voluntary confessions had been made without benefit of attorneys to inform them of their rights.

The other item was the solemn warning by the secretary of the U.S. Treasury that unless Congress boosted the government's debt limit by \$7 billion within 30 days, it might be just too bad for elderly citizens who depend on Social Security, veterans' pensions and retirement pay. There just might be no money for such things.

Now, many of us have been under the impression that the money paid into Social Security by an employee, along with that paid by his employer, was a bona fide, gilt-edge investment in the employee's future and was just like putting money in the bank.

But the United States government now announces that unless immediate action is taken by Congress to permit Uncle Sam to go even deeper into debt, Uncle won't have this money to pay back to those who entrusted it to him as a hedge against what are euphemistically called the "Golden Years."

A couple of questions come to mind.

1. How come these particular funds are included among those for which there would be no money, when there still seems to be plenty of dough to spend on other governmental projects — an annual travel bill of \$1.7 billion and a printing item of \$305 million, to name two?

2. Isn't the government's threat pretty much the same as a bank telling a depositor, "Sorry, pal, but we just won't be able to return your money to you — unless, of course, we find a way to borrow a lot more cash in a hurry"?

Yes, Virginia, there are things besides Santa Claus that are hard to explain to little folks — and to big folks, too.

And even when they're explained, they're hard to understand — and to swallow.

"THE AMERICAN PEOPLE WILL NEVER KNOWINGLY ADOPT SOCIALISM . . . BUT UNDER THE NAME OF LIBERALISM THEY WILL ACCEPT EVERY FRAGMENT OF THE SOCIALIST PROGRAM UNTIL ONE DAY AMERICA WILL BE A SOCIALIST NATION WITHOUT KNOWING HOW IT HAPPENED."

—Norman Thomas, six times presidential candidate of the Socialist party

**Those Pioneers Who Once Fought
Taxation WITHOUT
Representation Should See It
WITH Representation.**

"Society cannot leap into communism from capitalism without going through a Socialist stage of development. Socialism is the first stage to communism and thus you are now in this first stage if you advocate socialism."
—Nikita Khrushchev.

Cost of Unauthorized Federal Operations Equals Income-Tax Bite

How Big Is the Problem?

Research has revealed more than 700 federal agencies which — in one way or another — operate business-type activities without Constitutional authority. These range from loans for Eskimo dwellings to jungle road-building in Nicaragua; from operating sugar and coffee cartels to the manufacture of ladies' underwear.

How Much Does This Cost?

The losses of these unauthorized functions — plus the hidden costs of payroll, services, space, capital, and interest — amount to more than the money collected by federal personal income taxes. In 1959, these activities cost us more than \$44 billion, compared with \$39 billion collected in income, estate and gift taxes during the same year.

Can This Be Proven?

Yes. Over 21 years of research have produced an endless volume of supporting evidence. Losses have been effectively estimated by examining the Government's own records — th U.S. Budgets, Government Organization Manuals, Audit Reports and Hoover Commission Reports.

What Can Be Done?

The proposed Liberty Amendment — its full text shown herein — will end all federal business-type enterprises not specified in the Constitution. After a 3-year liquidation period, the personal income and withholding taxes will be repealed.

Where Will Necessary Revenue Come From?

Excise and corporation taxes, duties, imposts and other miscellaneous receipts will provide ample revenue to finance national defense, the Post Office, and other legitimate activities specified in the Constitution.

No Need For Replacement Revenue

By eliminating all federal programs NOT specified in the Constitution, annual federal budgets will be cut in half. When government expenditures are halved, revenue can be cut by a like amount. Thus the Liberty Amendment is fiscally responsible since the NEED for the personal income tax is removed before the 16th Amendment is repealed.

Where Can Budget Be Cut?

Americans are aware that "foreign aid," farm subsidies, public power and other pork-barrel projects are extremely costly to the taxpayers and do not achieve the vaunted results claimed by the politicians. The Liberty Amendment will compel Congress to use the Constitution in evaluating every present and future federal program. Those which do not meet its clear and specific language will either be eliminated or turned over to tax-paying private operation under State administration.

What About Defense?

The defense of the nation is made mandatory upon Congress by the Constitution. Yet, we know that some of our best and most critical weapons systems have been eliminated, air and military bases and navy yards are being closed wholesale, and inferior equipment is being supplied to our fighting men overseas according to their own reports from the battlefield. All this in the name of "economy" while new billions are appropriated for political "wars on" this and that.

Within the Defense Department alone, a Congressional committee discovered, a few years ago, some 19,000 businesses not directly related to military activity. These are businesses more efficiently operated by private companies which would be paying taxes into treasuries at every governmental level, instead of costing the taxpayers money.

These non-military costs amount to about half the annual defense budget. By eliminating them, the Liberty Amendment will insure a much stronger defense posture.

industrial enterprise except as specified in the Constitution.

SECTION 2. The constitution or laws of any state, or the laws of the United States shall not be subject to the terms of any foreign or domestic agreement which would abrogate this amendment.

SECTION 3. The activities of the United States Government which violate the intent and purposes of this amendment shall, within a period of three years from the date of the ratification of this amendment, be liquidated and the properties and facilities affected shall be sold.

SECTION 4. Three years after the ratification of this amendment the sixteenth article of amendments to the Constitution of the United States shall stand repealed and thereafter Congress shall not levy taxes on personal incomes, estates, and/or gifts.

This proposed amendment to the U.S. Constitution is now pending in Congress as H.J. Res. 23. It has been approved by Resolution in the State Legislatures of Wyoming, Texas, Nevada, Louisiana, Georgia, South Carolina and Mississippi.

For further information on the Liberty Amendment: write to Liberty Amendment Committee, 6413 Franklin Ave., Los Angeles, California.

MORE ON SOCIAL SECURITY

To the Editor,
Sunday Herald:

Since you published my letter, "FACTS ON THE SS TAX," I have been inundated with letters and phone calls asking me how I could make the startling statement that the SOCIAL SECURITY PROGRAM is (and I quote from my letter which you published in full) "A MAJOR TOOL IN THE SOCIALIZATION-COMMUNIZATION of America."

I would deeply appreciate your publishing the following facts which support that conclusion and statement:

Here goes. Social Security a tool to communize America? Sounds ridiculous, doesn't it? Take a good look at the following facts. THEN THINK IT OVER!

FACT: Communist Karl Marx published his Ten Point Communist Manifesto about 1848 containing the steps to be taken to "COMMUNIZE — MEANING TO "SOCIALIZE" THE WORLD.

FACT: Two of these points are pertinent. (1) "A GRADUATED, PROGRESSIVE INCOME TAX" — and (2) "ABOLITION OF THE RIGHT OF PRIVATE PROPERTY INCLUDING RIGHT OF INHERITANCE." (This Manifesto also called for abolition of religion, for raising all children in State (public) schools, for an end to the Family unit — end to nationalism and patriotism, etc.).

FACT: Marx, and Socialists since, have followed the doctrine "from each according to his ability, to each according to his need."

FACT: President Lyndon Johnson has stated in at least one public speech: "WE SHALL TAKE FROM THE HAVES TO GIVE TO THE HAVE-NOTS WHO NEED IT SO MUCH."

Pure socialist-communist doctrine!

FACT: We do have an income tax. It IS graduated. It is "progressive" (ly higher!) I refer to the Federal Income Tax, and in some

states we also have a State Income Tax, plus a City Income Tax in a few localities.

FACT: The compulsory Social Security Tax is a TAX on earned income or wages presently up to \$6,600 per year. IT IS THUS AN INCOME TAX.

FACT: The Social Security Tax is actually a DOUBLE TAX ON INCOME. How? Each employer also has to pay this compulsory payroll tax on each employee's account. This places double tax on each \$6,600 of wages or income earned.

FACT: The Social Security Tax thus is not only AN INCOME TAX, it is also a "progressive income tax." This tax started at \$60 per year; is now \$580 per year; is scheduled to go to \$745 in 1987 under the present law; and, under Johnson's 1967 requests, if approved, will go to \$780 in 1969 and to \$1,252.80 per year in 1987. IF THAT ISN'T A PROGRESSIVELY HIGHER TAX... WHAT DO YOU CALL IT???

FACT: We do have both a Federal and a State Inheritance Tax. And they take progressively heavier bites out of a person's estate after death, making it more and more difficult for people to inherit what parents have worked so hard to build up.

FACT: Constantly rising inflation, and taxes at all levels, are making it more and more difficult for people to save, to maintain their insurance programs, both items of PRIVATE PROPERTY. Also, an increasing number of people are finding it impossible to maintain an existing home... have to sell it... often at a loss... to move into less expensive housing in order to keep their heads above the rising tax and inflation's tax.

FACT: Many people laughed when former Russian Communist Premier Khrushchev told us "We will bury you" — and "Your grandchildren will live under Communism."

FACT: Others have said "feed the Americans small doses of Socialism so they won't realize what's happening and one day they will wake up to find themselves under Communism." (TOTAL GOVERNMENT).

Funny Man that Khrushchev! Funnier people these Americans! "CAN'T HAPPEN HERE" they say! And just because they won't see it, won't believe, won't think about it, and apparently won't—or don't want to—do anything about it, we will be under communism — you and I — well before our children or grandchildren face it.

The only point which so many seem to miss entirely these days, is that those individuals who put through the Federal Reserve System for private control of our money, did so AFTER getting the Federal Income Tax passed in 1913, and setting up the TAX-EXEMPT havens through which they could march right along to ultimate domination of the whole world VIA MONEY POWER AND CONTROL THAT THIS BRINGS OVER INDIVIDUALS, ORGANIZATIONS, AND GOVERNMENTS — without being in the least bit hampered by the rules for income tax etc., which they so carefully slipped around the necks of the American people.

Take a good look, folks. If you want total government dictating every step you take throughout your life... then don't do anything to stop it. Otherwise, your pens, pencils or typewriters and flood Congress with letters constantly. Being politicians, they will listen speedily enough if the mail is heavy enough! — J.S.

Read and Be Informed

Communist Socialist Propaganda in American Schools by Verne Kaub.

(Recently reprinted). Exposes the real power behind the monstrous National Education Association ---- \$1.00

Collectivism Challenges Christianity

By Verne Kaub. Exposes callous frauds in the collectivist ideology so often promoted in the church-sponsored conferences ---- \$1.00

Protocols of the Learned Elders of Zion,

translated from the Russian by Victor E. Marsden. Proof there is a Jewish world plot. ---- \$1.00

Federal Reserve Conspiracy by Eustace Mullins. Exposes Federal Reserve

plot ---- \$1.00

Blame Metro by Jo Hindman

(Just off the press). Starting where 1313 left off, Jo Hindman pursues the activities of the metropolitan government, updates Metro and master control devised by the 1313 clique of would-be managers of the American people. Abundant data. ---- \$1.75

Terrible 1313 Revisited by Jo Hindman

Compilation of speeches and articles with Metro chart. ---- \$2.00

Lawyers Without Law, by Mary Davison.

Lifts the curtain on the new "International Law Treaty," which was composed by the International Law Commission, arm of the UN.. This UN LAW OF THE WORLD would end Constitutional Law. ---- .40

FULL TEXT OF THE LIBERTY AMENDMENT

SECTION 1. The Government of the United States shall not engage in any business, professional, commercial, financial or

20 MILLION RECIPIENTS OF SS GET RUDE AWAKENING

Americans to See Deficit Upwards of \$15 Billion for Coming Fiscal Year

By Congressman JAMES B. UTT

During the second week in February, 1967, Congress engaged in its semiannual exercise of raising the debt limit by \$6 billion for the next four months, which is the end of fiscal 1967. We will again be confronted in June of this year with a request from Treasury to increase the debt limit by another \$10 billion. This all comes about because of the unprecedented spending by the Administration, partially for the support of the war, and partially on domestic spending to expand the so-called Great Society. In the meantime, foreign aid spending goes on at an increased tempo.

This increase in the debt limit could have been avoided by voting for a reduction in expenditures in the last Congress. Many of these expenditures might not have occurred if the Administration had been honest with Congress and with the American public. In September of last year, President Johnson told a news conference that the Administration was operating within the expenditure budget of \$112 billion, when he knew that he was running more than one billion dollars a month above the estimates which had been furnished earlier in the year.

At that time, there were pending before Congress many appropriation bills, including "renticare," "teacher corps," and many other fringe benefits for the Great Society. Treasury refused to give an updated, mid-term report which would have revealed the true state of the budget. These midterm revision reports had always been furnished to Congress and to the public in years past — but, being an election year, the public was misled.

The Republicans on the Appropriations Committee said publicly, on the Floor of the House, that expenditures were being underestimated and that the cost of the war in Vietnam was being understated by \$10 billion, which proved to be an absolute fact. And, had it not been for increased revenues, the current deficit would be \$18 billion rather than \$8 billion. It would even be greater were it not for the "hocus pocus," "higgery-jiggery" figures in deceitful accounting.

Let me explain. There are only certain government obligations which fall within the debt-limit statute. The sale of Participating Certificates by Treasury does not fall within the debt limit, even though these Certificates carry the full faith and credit of the government, as to principal and interest, and rightfully belong within the debt limit. Treasury has sold more than a billion dollars of these Certificates and will sell an additional \$2 billion between now and June 30th, so that with selling the \$6 billion permitted under the new law, it will actually sell \$8 billion, \$2 billion of which will be by way of this backdoor gimmick.

A month ago, Treasury Secretary Fowler announced with pride that he had raised a half-billion dollars and reduced the national debt by a half-billion dollars at the same time. How could this be? It is simple. He took a half-billion dollars of securities which do not fall under the national debt, put them in the Social Security fund, and used the money to reduce the obligations which are under the national debt limit. But we still owe the same amount. So you can see that the credibility gap is widening as well as deepening.

THE SECRETARY OF THE TREASURY, IN TESTIFYING BEFORE OUR COMMITTEE, SAID THAT,

IF WE DID NOT RAISE THE DEBT LIMIT, HE WOULD NOT BE ABLE TO SEND OUT SOCIAL SECURITY CHECKS FOR THE MONTH OF MARCH. THIS MAY BE A RUDE AWAKENING TO TWENTY MILLION RECIPIENTS OF SOCIAL SECURITY, TO FIND THAT THE SO-CALLED TRUST FUND DOES NOT EVEN EXIST; OUTSIDE OF \$4 BILLION IN MARKETABLE SECURITIES, THE BALANCE IS ALL IN THE FORM

GOVERNMENT, WHICH IN TURN MUST TAX AGAIN OR BORROW THE MONEY NECESSARY TO REDEEM THESE IOU'S.

Payments have been withheld on highway construction even though there is supposed to be more than \$8 billion surplus in the highway fund — but that fund also has been used for general government expenses. I have always contended, and still do, that these trust funds should be invested in Triple-A securities, other than government obligations, so that they could be liquidated in any emergency.

We can look forward to a deficit of upwards of \$15 billion for the coming fiscal year. The government has been indulging itself in advancing income which normally would come in the current and following year, which will have what might be called a "one-shot" effect, but will have to be replaced by other income later; and the day of reckoning is at hand.

There is another deceitful method being used in the budget, and that is saying that the sale of Participating Certificates and other assets constitute a reduction in expenditures, for the simple reason that the money goes into and out of the agency without appropriation control by Congress. All of this is done to make the people think that the present Administration does not have a deficit as large as one deficit in the Eisenhower Administration, during a temporary recession.

There has not been a balanced budget SINCE the Eisenhower Administration, which had a surplus in fiscal 1961. The following figures indicate what has been happening. In 1962, first full Kennedy year, regular-budget spending, minus Social Security and other trust funds, was \$87.8 billion; with these funds, \$107.7 billion. In the fifth Johnson year, regular spending will go to \$135 billion, up about \$47 billion. Add Social Security and other trust funds, and it will be \$173 billion, up about \$65 billion. These figures help to explain why there is a growing demand for a reduction in expenditures. Failure on the part of Congress to do this will indicate that "it's time for a change."

SOCIALISM FIRST, THEN — — —

"From capitalism to communism, through the intermediary stage of socialism; that is the way American society, like society in general, is headed."—William Z. Foster, former chairman of the Communist Party of America.

"Striving for socialism, we are convinced that it will develop further into communism."—Lenin.

"Communists work for the establishment of socialism as a necessary transition stage on the road to communism." — John Strachey of the British Labor Party.

EACH ONE REACH ONE

As we reflect the critical situation of our country, and how dangerously close we are to losing it to a diabolical, insane enemy, we realize it is primarily because the truth has not been given to the people.

If the truth were known, the American people would rise up as one and destroy the traitors who are subverting every phase of their lives from birth to death.

At this late hour, we make no rash promise to save the world, but we do know that every informed person is a nail in the enemy's coffin.

We must reach more people with the truth. Will you join the crusade by sending us a dollar and ten names of local townsfolk to whom we can send samples of Common Sense? Like a pebble dropped in a lake, we will never know where the ripple ends — we will never know the good that will result from this effort within the means of everyone. Remember, there is only one straw needed to break the camel's back — it could be yours!

Send us your dollars and ten names today. Stamps welcome and appreciated.

We never reveal name of donor, unless specifically requested by him to do so.

GLORIFIED WELFARE STATE

Sweden, "Socialist Paradise," is coming apart at the seams. Held together, like the United States, by what remains of the free market place, the greed encouraged by its "social security" and other "something for nothing" schemes is fast destroying what remains of its productive sector. After all, if one is to be rewarded on the basis of "need," and those producing are to be penalized to reward those who don't, why should anyone exert themselves? The answer is, most won't!

Sweden, whose socialistic program is being copied by our own bureaucratic dreamers, endeavored to provide cradle to grave security; including housing subsidies, rent rebates for low-income groups, free hospitalization, subsidies for doctors' bills and drug bills, free care in childbirth, cash allowances for maternity, free higher education, sick pay, unemployment insurance and old age and disability insurance.

After 20 years of building the Swedish "Great Society," most of the country's problems not only remain unsolved but, in some cases, are growing greater.

The costly welfare and educational "reforms" have not curbed crime, alcoholism and drug addiction. Sweden's crime rate has doubled since 1950, with juvenile crime making up most of the increase. Homicides and robberies are up 80 per cent in three years. Rape, in the same period, climbed 56 per cent. Acute alcoholism and drug addiction, in the age group 15-24, are assuming epidemic proportions.

Government control of housing has discouraged the private building of homes, with the result that Sweden's housing crisis is more severe than 20 years ago.

Demand for medical and hospital treatment under Sweden's compulsory "health-insurance" plan has expanded faster than anticipation and incoming funds. Waiting time for a bed in a hospital is as high as a year. Seriously ill and dying people have been shunted into corridors to make room for the growing "free sick" flood.

And who pays for it all?

The Swedes, to their amazement, are finding that they do themselves; with the upkeep of the burgeoning bureaucracy adding to the tab.

Total taxes (and it is doubtful this represents the full cost, since the Swedes, like us, have their share of hidden taxes) now amount to 40 per cent of the gross national product — up 31.3 per cent since 1960.

And what do the Swedes propose to do in their hour of crisis? Just what our own bureaucrats are doing as our own economy is beginning to falter. Administer more of the same poisonous socialistic medicine. Instead of freeing the market place and individual initiative and letting them dig the country out of its bureaucratic mess, the government can only think of more controls and heavier taxes.

Common Sense.

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Published twice monthly except July and August, once each, by

CHRISTIAN EDUCATIONAL ASSN.

530 Chestnut Street, Union, N. J. 07083

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